



## RSI CONTINUES PROGRESS TOWARDS FREE CASH FLOW POSITIVE

Vancouver, B.C. August 17, 2017 – RSI International Systems Inc. (**TSX-V: RSY**) (“RSI” or the “Company”) is pleased to provide the following commentary on its progress towards becoming Operating Free Cash Flow positive further to its financial statements as released August 16, 2017.

RSI President and CEO, Tim Major, commented “Over the past two quarters, our primary goal has been to re-organize our operations in order to become Operating Free Cash Flow positive, while at the same time continuing to grow our business. To date, we have made tremendous progress towards achieving this goal”.

Mr. Major added “Although becoming Operating Free Cash Flow positive continues to be our top, near term priority, we are also working on a strategy to increase our recurring revenue through the introduction of incremental offerings that are complementary to our core RoomKeyPMS product. Our goal in this regard is to provide new, value-added tools to our existing and new customers, thereby improving our current relationships and broadening our overall market appeal”.

As illustrated in Table 1 below, on a quarter over quarter basis, the Company has sequentially reduced its Operating Free Cash Flow deficit in each of the past four quarters, with the largest improvements occurring in the first and second quarters of 2017. On a seasonally-comparative basis, the Company has reduced its Operating Free Cash Flow deficit from (-\$196,410) and (-\$519,039) in Q1 and Q2 2016 respectively, to (-\$109,729) and (-\$50,371) in Q1 and Q2 2017, respectively.

Table 1

|                                   | Q1 2016            | Q2 2016            | Q3 2016            | Q4 2016            | Q1 2017            | Q2 2017           |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Cash Flow from Operations         | \$2,511            | (\$256,696)        | (\$91,055)         | (\$73,749)         | 48,554             | \$124,453         |
| Equipment & Technology Investment | (\$198,921)        | (\$262,343)        | (\$203,508)        | (\$201,446)        | (\$158,283)        | (\$174,824)       |
| <b>OPERATING FREE CASH FLOW</b>   | <b>(\$196,410)</b> | <b>(\$519,039)</b> | <b>(\$294,563)</b> | <b>(\$275,195)</b> | <b>(\$109,729)</b> | <b>(\$50,371)</b> |
| Change in Working Capital         | (\$20,175)         | (\$114,365)        | \$176,836          | (\$49,375)         | \$19,551           | (\$30,255)        |
| Net Free Cash Flow                | (\$216,585)        | (\$633,404)        | (\$117,727)        | (324,570)          | (\$90,178)         | (\$80,626)        |

*\*All figures in C\$ and taken from the Company's applicable period financial statements*

The Company defines Operating Free Cash Flow as cash flows from business activities that are not related to working capital management and financing activities. It calculates the figure from the Statements of Cash Flows as the sum of Cash provided by / used in operating activities, before changes in non-cash working capital items, and Cash Used in Investing Activities. Versus Basic or Net Free Cash Flow, Operating Free Cash Flow does not take into account changes to non-cash working capital items and financing activities as those activities can have



significant timing components that are not directly related to the operating activities of the business during a particular period and therefore, have the potential to mask the true operational cash flow of the business.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

#### **About RSI**

RSI International Systems Inc. is the developer of RoomKeyPMS, a web-based Property Management System (PMS) that incorporates a fully integrated Online Reservation Booking engine and seamless real-time connectivity to the major Global Distribution and Internet Distribution Systems. RSI markets its RoomKeyPMS and a number of other proprietary “hosted” software solutions to a wide variety of Hospitality Industry clients around the world. For more information, please see our website at [www.roomkeypms.com](http://www.roomkeypms.com)

#### ***Cautionary Note Regarding Forward Looking Statements***

This news release contains forward-looking statements. Any statements that are not strictly historical fact are considered “forward-looking statements.” Forward-looking statements cannot be guaranteed and involve assumptions and are subject to a variety of risks and uncertainties which could cause actual events or results to materially differ from those reflected in the forward-looking statements. Readers are advised to rely on their own evaluation of such risks and uncertainties and not place undue reliance upon forward-looking statements. Any forward-looking statements made herein are made as of the date hereof, and the Company assumes no obligation and disclaims any intention to revise or update any forward-looking information and statements except as required by applicable laws.

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